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2   UNITED STATES PATENT AND TRADEMARK OFFICE

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        BEFORE THE BOARD OF PATENT APPEALS

5   AND INTERFERENCES

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7   *Ex Parte* CHRISTOPHER R. LEFEBVRE,

           CHRISTOPHER JAMES KONEN SR.,
8
            MATTHEW JOSEPH KEANE,

9   and ELISSA BUDISCHAK

10   ————————

11   Appeal 2009-008215

           Application 09/688,694
12
           Technology Center 3600

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        Oral Hearing Held: June 8, 2010

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Before HUBERT C. LORIN, BIBHU R. MOHANTY, and

17 CAROLYN D. THOMAS, *Administrative Patent Judges.*

18 APPEARANCES:

19

20 ON BEHALF OF THE APPELLANT:

21

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26

 1   The above-entitled matter came on for hearing Tuesday, June 8, 2010,

 2   commencing at 9:49 a.m., at the U.S. Patent and Trademark Office, 600

 3   Dulany Street, Alexandria, Virginia, before Deborah Courville, a Notary

 4   Public.

 5   THE USHER: Calendar No. 3, Appeal No. 2009-008215. Ms. Song?

 6   JUDGE LORIN: Thank you very much.

 7   MS. SONG: Thank you.

 8   THE USHER: You're welcome.

 9   JUDGE LORIN: Good morning, counsel. Could you state your name

10   and spell it for the court reporter, please?

11   MS. SONG: Sure. My name is Yisun Song, Y-i-s-u-n, S-o-n-g.

12   JUDGE LORIN: All right. Thank you. Okay, counsel. We've read

13   the record. We're familiar with it. When you're ready, you have 20 minutes.

14   MS. SONG: Thank you very much. Good morning. My name is

15   Yisun Song. I'm with the law firm of Hunton and Williams. I'm here today

16   on behalf of our client, JPMorgan Chase, to discuss the merits of this

17   pending application. I'd like to address a couple points today. I'll start with

18   a brief summary of the pending claims. I will address the 103 rejections and

19   the filing of the 101 rejections.

20   The pending claims are directed to a system and method for retaining

21   customer loyalty. The invention is used by a financial institution to provide

22   incentives to customers where the incentives are tailored to the customer's

23   needs and expectations while achieving profitability for the financial

24   institution.

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1   In generating these tailor incentives for a particular customer, the

2 claimed invention relies on three factors: The call type, why the customer is

3 calling; two, the customer's segment, which represents the customer's history

4 and behavior; and, three, profitability for the financial institution. By

5 relying on the call type in generating incentives, the invention can identify

6 tailored incentives on the fly in real time in response to a specific customer

7 request.

8   This pending case has two independent claims. Claim 19 recites a

9 computer-implemented method, and Claim 29 recites a computer-

10 implemented system. Both claims recite receiving a request from a

11 customer, retrieving account data, identifying the request as a request type,

12 identifying the customer as a customer segment, and then identifying

13 incentives based on the three factors, including request type, customer

14 segment, and profitability factors. These incentives are then offered in

15 response to a request to terminate the relationship. Each of the steps are

16 performed in response to a customer request.

17   In addressing the claims, the Examiner relies on a combination of two

18 references, the McCausland patent and the Gasner article. The Examiner

19 alleges that McCausland shows each and every limitation except for one or

20 more incentives comprising a product or service offered by the financial

21 institution. The system of McCausland is directed to establishing rules for

22 predicting the likelihood of churn, where churn is defined as the deactivation

23 of an active customer in the cell phone industry.

24   As shown in Figure 4 of the McCausland patent, the churn history

25 process is performed on a slow, regular schedule, such as once a month

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1   during off-peak hours, to revise the rules to predict the likelihood of churn

2   for customers. The process models historical churn factors. Two identify

3   churn rates. In other words, McCausland predicts the likelihood of churn for

4   customers in the cell phone industry.

5   In contrast, the claimed invention is responsive to a customer request,

6   where the request is to terminate a relationship with the provider. The

7   request is identified as a request type. This information, along with

8   customer segment and profitability factors, are then used to generate tailored

9   incentives for the requesting customer.

10   Turning to the claim language, McCausland fails to disclose

11 identifying the request as a request type and also fails to disclose that the

12 request is the request to terminate the relationship with the provider. The

13 Examiner relies on McCausland's discussion of defining potential customer

14 problem factors, where these factors are stored in a database. These factors

15 are data-item categories from the database that are likely to predict -- that are

16 likely to indicate a problem the customer is having. Table 2 shows potential

17 customer problem factors in the cell phone industry, and these are used to

18 score and to predict a likely potential problem.

19   The factors relied on by the Examiner do not represent a request type

20 and are not identified or selected in response to a customer request.

21 Moreover, the discussion of these factors relied on by the Examiner is in

22 connection with the proactive contact with the customer, in other words, an

23 embodiment where the customer does not make a request. Therefore, the

24 subscriber factors relied on by the Examiner are stored in a database and not

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1   at all connected to receiving a request from the customer nor other factors

2   relevant in identifying the request as a request type.

3   McCausland is primarily directed to performing a churn history

4   process on a slow, regular schedule, such as once a month, during off-peak

5   hours. As this process is performed on a regularly scheduled interval,

6   without any customer initiative, a customer request is not received.

7   Moreover, the system of McCausland does not identify any request as a

8   request type for the purpose of generating customer incentives.

9   While McCausland does mention the reactive mode as an alternative

10   to the proactive mode --

11   (Phone rings)

12   JUDGE LORIN: Could you stop for a second, counsel?

13   MS. SONG: Sure.

14   JUDGE MOHANTY: All right. Sorry, counsel.

15   JUDGE LORIN: Sorry about that.

16   MS. SONG: That's no problem. No problem at all.

17   JUDGE LORIN: Go ahead and proceed.

18   MS. SONG: Thank you. While McCausland does mention the

19   reactive mode as an alternative to the proactive mode, it does not disclose an

20   additional step of identifying a request as request type for the purpose of

21   generating tailored incentives. In fact, the only detailed discussion with

22   respect to this reactive mode is in Figure 7, where the user may elicit

23   identifying information from the caller. There is no discussion of

24   identifying the request in connection with generating customized incentives.

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1   Turning again to the claim language, McCausland also fails to identify
2 one or more incentives based on the three factors: request type, customer
3 segment, and profitability factors. The incentives of McCausland fail to take
4 into consideration all of those three claimed factors.
5   In contrast, the Examiner relies on, one, the customer problem as
6 being a request type; two, vulnerability factors as being the customer
7 segment; and, three, customer worth as being the profitability factors.
8 However, this conclusion is flawed and unsupported by McCausland. The
9 offers or incentives on McCausland are only based on customer worth. In
10 the abstract, McCausland recites, "Pre-approved potential offers are
11 configured in response to customer worth." Also, in Figure 12, which
12 illustrates how customer offers are generated, you can see that the offers are
13 only derived from customer worth, in Block 194.
14   The customer problems, which are relied on by the Examiner as the
15 request type, are not used to generate offers. They're only described in
16 connection with actions. McCausland distinguishes between offers and
17 actions. Actions are not based on customer worth. Instead, they are
18 associated with customer problems. As shown in Figure 13 of McCausland,
19 customer actions are faced only on potential customer problems. And the
20 abstract further clarifies that pre-approved potential actions are configured in
21 response to specify potential customer problems. There is no connection
22 between customer problems and the offers that are generated in
23 McCausland.
24   Finally, vulnerability factors represent how likely a customer is to
25 churn. These vulnerability factors are not used in generating incentives.
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1   McCausland only relies on customer worth for generating incentives. Also,

2   McCausland specifies that these offers are pre-approved. If the offers are

3   pre-approved, they are not generated in response to a request type made by a

4   customer request. According to the Federal Circuit in Net Money IN, the

5   reference has to describe the correct configuration in order to meet the

6   claims at issue. The Federal Circuit emphasized that the requirement that

7   the reference describe not only the elements of the claimed invention, but

8   also it describe those elements arranged as in the claim. The Examiner's

9   analysis has failed to meet that showing.

10   In sum, there is no disclosure in McCausland that indicates customer

11 incentives are based on all three claim factors: One, request type; two,

12 customer segment; and, three, profitability factors. At most, the incentives

13 in McCausland are only based on one factor, customer worth.

14   As recognized by the Office Action, McCausland does not meet each

15 and every claim limitation, and for those missing limitations, the Examiner

16 relies on the Gasner article. The purpose of the Gasner article is to discuss

17 how statistical modeling can lead to portfolio profit optimization. Just as in

18 McCausland, Gasner does not disclose receiving a customer request and

19 further identifying the request as a request type for the purpose of generating

20 tailored incentives to retain the customer.

21   The Office Action has failed to provide a proper motivation for

22 combining the two. The Office Action concludes that it would have been

23 obvious to make the modification to include providing products offered by a

24 financial institution if McCausland was implemented in that manner. The

25 Examiner's rationale is nothing more than conjecture and possibilities.

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1   Under this type of reasoning, any two references could be combined. If the

2   Office were permitted to make such generalizations, almost every proposed

3   combination could be supported because any reference, regardless of its

4   teaching, can be applied in a different manner if it were applied in that

5   manner.

6   Moreover, the resulting combination still fails to address each and

7   every claimed limitation. Neither reference teaches identifying a request

8   type and using that request type, along with customer segment and

9   profitability factors, to generate incentives in response to a request to

10   terminate.

11   Finally, the claims are rejected under a 101 rejection. The claims,

12   together with the specification and the drawings, support the understanding

13   that the recited interface and the models are all tied to a computer. The

14   specification and Figure 1 provide such support. For example, on Page 7 of

15   the specification, the Applicant recites that "this architecture is exemplary

16   only, and the system of the present invention may be implemented in a

17   variety of different computer and network types." For example, Customer

18   Segment Module 114, Card Segment Module, Call Type Module and

19   Incentive Module may reside on a standalone computer with itself -- which,

20   itself, is operatively connected to databases.

21   Therefore, one skilled in the art would understand that the claims are

22   tied to a computer system. The term module, as defined by the specification,

23   refers to a component within a computer system. Claim 19 recites a

24   computer-implemented method, and Claim 29 recites a computer-

25   implemented system. Both claims recite a graphical user interface for

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1   displaying account data, and both claims recite a series of modules that are

2   defined and described by the specification and the figures as being part of a

3   computer system.

4   JUDGE LORIN: Questions?

5   JUDGE MOHANTY: No questions.

6   JUDGE LORIN: Counsel, no further questions.

7   MS. SONG: Okay.

8   JUDGE LORIN: Thank you very much.

9   MS. SONG: Thank you very much. I appreciate the opportunity.

10   Whereupon, the proceedings, at 10:02 a.m., were concluded.

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